

DEPARTMENT OF HEALTH SERVICES

714/744 P STREET
SACRAMENTO, CA 95814

May 11, 1984

To: All County Welfare Directors

Letter No. 84-20

**BURIAL TRUSTS AND PREPAID BURIAL CONTRACTS, JANUARY, 1984 TITLE II COLA, AND
PER CAPITA PAYMENTS TO NATIVE AMERICANS**

Pursuant to changes in federal and state law, the following amendments to income and property sections should be noted by the counties and implemented on the dates indicated. The Department is in the process of promulgating regulations in these areas. However, until such regulations become final, the counties should follow the guidelines established below.

Burial Trusts and Prepaid Burial Contracts

The maximum dollar limit for irrevocable burial trusts and irrevocable prepaid burial contracts has been raised from \$1,000 to \$1,800, effective April 1, 1984.

January, 1984 Title II COLA

As you are aware, All County Welfare Directors Letter No. 83-71 instructed counties to calculate Title II benefits for January 1984, using the anticipated cost of living adjustment (COLA) scheduled to take effect that month. In addition, counties were instructed to round all benefit amounts down to the nearest dollar in accordance with Social Security Title II methodology. However, Social Security applied the COLA increase to the actual, rather than the rounded, prior benefit amount. This resulted in a \$1.00 discrepancy in the Title II benefits for some beneficiaries and a \$1.00 understated share of cost.

Therefore, in order to avoid the unnecessary expense of recomputing every Title II case now, the share of cost may be corrected instead the next time the budget is recomputed, when an income change is reported, or at the annual redetermination. Quality control errors will not be cited by Quality Control staff when the discrepancy between the budgeted Social Security benefits and the amounts reported by the beneficiary is less than \$5.00.

Per Capita Payments to Native Americans

Per capita payments from tribal governments made in accordance with Public Laws 98-123 and 98-124 to members of the Red Lake Band of Chippewa and the Assiniboine Tribe of the Fort Belknap Indian Community, are exempt from consideration as income pursuant to Public Law 98-64. While no payments of this type are issued by tribal governments located in California, counties should be aware of this exemption as some beneficiaries may receive payments of this type from tribal governments located in other states. This exemption should be implemented effective April 1, 1984.

All County Welfare Directors

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If you have any questions regarding these changes, please contact Toni Bailey at (916) 324-4953.

Sincerely,

Original signed by

Caroline Cabias, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants